

## **Study Session & Business Meeting (Tuesday, August 9, 2016)**

Generated by Shelley R Shelton on Monday, August 15, 2016

### **Members present**

Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

### **Staff members present**

Keith C. Rittel, Superintendent; Stefanie Bryant, Business Administrator; Dr. Todd McKee, Exec. Dir. of Secondary Education; Alex Judd, Exec. Dir. of Elementary Education; Jason Cox, Executive Director of Human Resources; Anne-Marie Harrison, Exec. Director of Teaching & Learning; Shelley Shelton, Exec. Assistant; Chad Duncan, Director of Technology; Morgan Anderson, Director of Special Programs; Caleb Price, Communications & PR Coordinator; Mark Wheeler, Facilities Director; Darin Loertscher and Steve Redford, Tech Support; Laura Larsen, Director of Child Nutrition

### **Guests**

Kathy Giles, Provo Education Association; Debbie Larson, Education Support Professionals; Charity Williams, After School Programs; Braley Dodson, *Daily Herald*

### **Meeting called to order at 4:59 PM**

#### **1. 5:00 - 6:00 p.m. Study Session**

##### **Procedural: A. Welcome: President Julie Rash**

##### **Procedural: B. Roll Call**

Member Michelle Kaufusi arrived at 5:06 p.m.

##### **Information: C. Construction Update: Facilities Director Mark Wheeler**

- Rock Canyon/Sunset View teachers started moving in to their respective classrooms yesterday. The state fire marshal will visit both schools tomorrow for the final sign-off. Both buildings are currently operating on "temporary occupancy" status (the building can be used for its intended function prior to final sign-off). Full occupancy status will be granted upon final sign-off. District Technology staff has been working through weekends to finalize the tech infrastructure at both locations. District-wide professional development has been postponed for Rock Canyon and Sunset View teachers to allow them as much time as possible for classroom setup.
- Edgemont groundbreaking has taken place and site work is proceeding. Weekly meetings are in place to meet with contractors, architects and engineers.
- A meeting was held this morning with principal Steve Oliverson, board member Shannon Poulsen, Mark and Supt. Rittel regarding the Provost rebuild. Discussion centered on finding the right balance between square footage and site restrictions in preparation for rebidding at the end of the year or January.
- Capital improvement projects:
  - Dixon - gym has received a significant face lift with a sound panel, paint, basketball standards and refinished floors. In addition, gym skylight openings have been uncovered and painted. New carpet has been laid in the computer lab.
  - Canyon Crest - new carpet in several rooms
  - Franklin - media center carpet
  - Several locations - small capital projects will be completed before school starts
  - Lakeview & Centennial - One double classroom portable has been set up at each location
  - Edgemont - Portables have been shifted
- PHS
  - Site preparation with building pad; concrete footings have been poured recently. Westland Construction and FFKR Architects continue value engineering with Mark and Business Administrator Stefanie Bryant in an effort to reduce costs as much as possible without reducing square footage or programming.
  - Stef passed around total cost of construction summaries to board members. Significant savings will be realized with modified flooring/tile options and field grass selection.
  - Approx. \$73.5M construction budget minus \$5-6M in soft costs (architects fees, furniture, impact fees, etc).
    - \$1.9M for contingencies is included as a budget line item. Westland Construction feels it's unlikely that amount will be met.
    - \$1M is allotted for street improvements
  - During the last detailed conversation with the board in February, the budget was almost \$69M and did not include 3rd gym. The gym is now included as an alternate bid item. With soft costs the \$69M would have been approximately \$75M, putting the budget 7% over what was discussed in February.
    - Edgemont is currently slated to be 7% over bond budget
    - Rock Canyon will end up being approximately 4% over bond budget
    - Provost - likely to be slightly more than 7% over bond budget when all is said and done
    - Budgets are financially manageable
    - 13% Utah construction inflation has exceeded everywhere else in the western region. Westland Construction is getting subs hired.
- Lakeview Parkway - will hopefully be in place by the time PHS is completed. Now setting grades for SW roads.
- Oakridge - new carpet in common areas

##### **Discussion: D. Edgemont Construction Contractor: Stefanie Bryant, Business Administrator**

State procurement law and district policy requires the board approve expenditures and contractors related to construction projects.

An SOIQ was posted on the district website to obtain contractor qualification statements. Four contractors submitted statements of qualifications and were eligible to submit bids. Bids were opened, per state procurement and district procedure, on June 2, 2016 at 2:00 p.m. Initially the bids were rejected as they were too far above budget to accept. Hughes Construction was the low bid for Edgemont Elementary at the time, and subsequent discussions regarding items which can be value engineered have enabled the District to get the bids for Edgemont to a manageable budget.

The current construction budget for Edgemont Elementary is \$13.3 million and will continue to be value engineered for additional cost reductions. The total budget which also includes architect fees, impact fees, and furnishings not related to the construction contract is \$14.5 million.

**Discussion: E. Large Purchase Request: Stefanie Bryant, Business Administrator**

Per Policy 6210 Purchasing, non-recurring purchase requests and those not approved with the capital projects list over \$50,000 must have pre-approval from the Board of Education.

Approximately 30 additional classrooms will be added to the Provo Way Initiative in the 2016-17 school year. As such, necessary devices and related software need to be purchased. Bids for the requested purchase are attached. 1160 of the devices are for the initiative, 579 are being ordered for various schools while the low price is being offered. Original bid request was for 1160 devices.

Once board approved, the Chromebooks will be ordered tomorrow.

**Discussion: F. Policy Review: Supt. Rittel**

**Policy 3401 Wellness**

Child Nutrition Director Laura Larsen outlined the changes to the policy and procedure. Jason and Marsha sat on the Wellness Committee. Verbiage used to be "foods of minimal value"; now called "competitive foods" and cannot be sold during the school day.

Evaluations: make sure at least one LEA representative assures compliance.

Board comments:

- "If children have breakfast and lunch meals from home, schools shall encourage parents to feed their children nutritious breakfasts and to send healthy home lunches" is over the top and sounds like parents are being told what to do. Laura will look at the language and make modifications.

**4006 F4 Parent Permission Form**

The form was vetted by Council and principals. Risk Management will no longer approve out of country travel.

Board Comments:

- 4006 P1 Student Travel on BoardDocs still contains the "one student one bed" statement and needs to be removed.

**Discussion: G. 180-990 School Calendars: Anne-Marie Harrison, Exec. Director of Teaching & Learning**

R277-419-4.A(1) requires that, LEAs shall conduct school for at least 990 instructional hours and 180 school days each school year. R277-419-8.C(6) requires that, Total instructional time and school calendars shall be approved by local boards in an open meeting.

All schools meet the requirements set by local administrative guidelines and the required minimum of 990 hours and 180 days of instruction. The chart attached to this tab summarizes necessary calendar data for the Provo School District Board of Education. In accordance with State Board Rule 277-419-7.C,(5)The final decision and approval regarding planning time, parent-teacher and SEP conferences rests with the local board of education, consistent with Utah law and Board administrative rules.

View the 180/990 Report:

[https://docs.google.com/a/provo.edu/spreadsheets/d/1YJX3pEiLhUGcuCde7dSGh-qBxBvRBdSQ0A8W8\\_0ZkqI/edit?usp=sharing](https://docs.google.com/a/provo.edu/spreadsheets/d/1YJX3pEiLhUGcuCde7dSGh-qBxBvRBdSQ0A8W8_0ZkqI/edit?usp=sharing)

- PHS counts intervention time as instructional time
- The district is decreasing the number of early release days overall

**Discussion: H. Consent Calendar Review & Questions**

There were no questions or comments.

**Discussion: I. Upcoming Google Calendar Items**

- Julie will confer with Shelley re: joint meeting agenda items for the Thursday meeting with the city council.
- Agenda reviews with Keith are an opportunity to clarify the agenda items, not a problem-solving session. They allow concerns to be more thoroughly articulated. Keith believes it's best practice for the board to do.

**Action: J. Motion to Adjourn**

I move we adjourn the study session.

Motion by Jim Pettersson, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

The study session was adjourned at 5:50 p.m.

## **2. 6:00 p.m. Business Meeting**

**Procedural: A. Welcome: President Julie Rash**

**Procedural: B. Roll Call**

**Procedural: C. Opening Remarks: President Julie Rash**

**Procedural: D. Pledge of Allegiance: Alex Judd, Executive Director of Elementary Education**

## **3. Community Connections**

**Information: A. Public Hearing: Truth in Taxation/Proposed Property Tax Rate Increase and Adoption of 2016-17 Budget: Stefanie Bryant, Business Administrator**

Ms. Bryant prefaced her presentation by stating the board has spent a great deal of time and effort considering the tax proposal. It's been a topic of conversation for previous boards for a number of years, resulting in the consensus that the extra funding was not critical and eliminating the need for a tax increase. The last tax increase was in 2009 and the district is now feeling the need for the extra revenue due to inflation and budgetary needs.

The district has legally followed all required notification requirements. State Code requires a notice two weeks prior to the meeting and again one week before a meeting. Notification also needs to be posted on the Public Notice Website, the district website and the local newspaper. In addition, the district opted to post a second notice on the district website with information on the tax increase.

In a budget year in which the Board elects to go through Truth in Taxation to increase the available tax levy, the legal due date for the upcoming year's adopted budget is extended to August 22. The budget should support the goals and objectives of the organization, be balanced and prudent.

In efforts to be open, transparent, and accountable to the public, the District has adopted a goal of annually obtaining the Meritorious Budget Award from both the Government Financial Officers Association (GFOA) and the Association of School Business Officials (ASBO), which represents national excellence in the budgeting process. This award has been achieved by the District for eight consecutive years.

By statute, the Board must be presented the budget by June 1; the Board must hold a public hearing on the proposed budget and proposed tax rate; and the Board must adopt a budget before August 22 if Truth in Taxation is undertaken.

The 2016-17 budget was presented to the Board at the study session on Tuesday, May 24, 2015 at 7:30 AM. A brief overview of the proposed budget and related proposed tax increase was presented at the business meeting and was attached as a PDF document for board member review (see attached).

District administration recommended the Board approve the proposed 2016-17 budget and 2016 proposed tax rate increase. Two separate motions will be provided in the business meeting.

Points of Discussion (see attached):

**History of Board Local Levy** - the board can legally increase or decrease through the Truth in Taxation process without a public vote. As properties are assessed and values increase, the district tax rate drops. It holds the district at the same revenue from year to year with the exception of any new construction.

The last local levy increase was 2009

2013 = .002039

2014 = .001445

2015 = .001293

2016 = .001229 *without proposed increase*

2016 = .001520 *with proposed increase*

**Rates Comparison** of all Utah school districts showed Provo to be below the state average. Provo's rate would rise above the state average without the tax increase. With the increase Provo's rate would fall well below the state average, depending on what the other districts do with their rates. A few other districts are also going through the truth in taxation process to raise rates. The state rate shifted down slightly this year, so everyone's rates will go down a little. Until we know where other districts' rates are, based on their debt and truth in taxation, we won't know exactly how we compare. However, we're

confident we'll still be below the state average. *Note: all state rates shown are 2015 numbers; 2016 rates are not yet available.*

Provo - 0.007172  
Provo with increase - 0.007883  
Alpine - 0.008177  
Nebo - 0.009326

**Rates by Levy Tax Year 2015 to 2016** shows the rates the board can levy:

Basic Program (set by the State) Tax Year 2015: 0.001736  
Tax Year 2016 (Levy neutral): 0.001675  
Tax Year 2016 (Proposed): 0.001675  
Difference (Neutral): 0.000061  
Difference (Proposed): 0.000061

Voted Leeway  
(rates fluctuate according to  
assessments) Tax Year 2015: 0.001151  
Tax Year 2016 (Levy neutral): 0.001093  
Tax Year 2016 (Proposed): 0.001093  
Difference (Neutral): 0.000058  
Difference (Proposed): 0.000058

**Board Local Levy** Tax Year 2015: 0.001293  
Tax Year 2016 (Levy neutral): 0.001229  
Tax Year 2016 (Proposed): 0.001600  
Difference (Neutral): 0.000064  
Difference (Proposed): 0.000307

General Obligation Debt Tax Year 2015: 0.002139 *Note: The rate has dropped and includes the issuance of*  
*\$108M in bonds over the past two years*  
Tax Year 2016 (Levy neutral): 0.001995  
Tax Year 2016 (Proposed): 0.001995  
Difference (Neutral): 0.000144  
Difference (Proposed): 0.000144

**Capital Local Levy** Tax Year 2015: 0.001249  
Tax Year 2016 (Levy neutral): 0.001180  
Tax Year 2016 (Proposed): 0.001520  
Difference (Neutral): 0.000069  
Difference (Proposed): 0.000271

Totals All Funds Tax Year 2015: 0.007568  
Tax Year 2016 (Levy neutral): 0.007172  
Tax Year 2016 (Proposed): 0.007883  
Difference (Neutral): 0.000396  
Difference (Proposed): 0.000315

**Board Comments:**

To clarify, we never hear when taxes go down, but we always hear when they go up. The chart indicates rates do go down regularly. By not raising taxes from 2009 until now, the district has effectively absorbed inflation through budget cuts and efficiencies each year. We haven't adjusted the rate; we've just let it fall. While local revenue by statute has been stable, our expenses, like everyone else's, go up regularly.

Stefanie: The tax rates do go down, and it goes back to property assessments. When property values increase, unless the board decides to raise taxes, our rates will go down to hold district revenue stable.

**Auditor's Certified Tax Rates**

Ms. Bryant displayed a copy of a 2015 Tax Rate Summary with the following explanation:

The certified tax rates shown are the rates the county has set; the proposed tax rate is the rate the board is proposing. The difference between the two is .007172 vs. .007883. Estimated revenue to the district is approximately \$3.4M.

The difference is approximately \$44 annually on a \$198,500 residence in Provo. The reason for the difference between the current rate, the proposed rate from the county and what the board is proposing is the shift in rates when reassessments are made.

*Even though we have to notice that the board is proposing a 14% rate increase, because of the drop in the other rates listed above, the overall rate increase is much closer to 12% or less.*

**Board Comments:**

To clarify, with the local levy collection, our local revenue remains stable until the board acts to raise the tax rate.

Stefanie: The basic rate that comes from the state, which the board has no control over, may fluctuate up or down and impacts every district in the state. We do receive additional revenue for new construction. The district sees about

\$600,000 in tax revenue each year from new construction within Provo.

### Sample 2016 Notice of Property Valuation and Tax Changes

Ms. Bryant recommended homeowners review their recent statements to determine what their individual increase might be. In the example shown, the homeowner's approximate \$120 annual increase is attributed to \$51 from the board's proposed increase and \$60 from the change of value in their home.

#### Board Comments:

Provo City School District gets the majority of their local funding from through property tax revenue. Sales tax revenue goes to Provo City rather than to the district.

### Rate Effect on Revenue and the Individual Taxpayer Tax Year 2015 to 2016

*Note: The example displayed holds everything as if there were no reassessments or changes in value to property taxes. All property tax assessments change differently; one might increase 10% while someone else's might decrease 5%.*

Residential	
House Value	2014-2015 - \$198,500 2015-2016 (Neutral): \$198,500 2015-2016 (Proposed): \$198,500
District Total Tax Rate	2014-2015: 0.007568 2015-2016 (Neutral): 0.007172 2015-2016 (Proposed): 0.007883
District Property Taxes	2014-2015: \$601 2015-2016 (Neutral): \$565 2015-2016 (Proposed): \$643
Percentage Increase	2014-2015: 6.5% 2015-2016 (Neutral): 12% 2015-2016 (Proposed):

**Long Term Needs FY2016-17 through FY2020-21** - Determined through discussions with board members, district administration and principals

Board Local Levy	FY17	FY18	FY19	FY20	FY21
<b>Salaries/Benefits/FTE</b>					
Salaries/Benefits/Attract/Retain	800,000	800,000	800,000	800,000	800,000
Secondary School Counselors	200,000	200,000	200,000	200,000	200,000
Social Workers/Safety/Health Support	150,000	175,000	175,000	0	0
Gifted/Talented (FTE)	150,000	150,000	150,000	150,000	150,000
<b>Total local levy allocated to Salaries/Benefits/FTE</b>	<b>1,300,000</b>	<b>1,325,000</b>	<b>1,325,000</b>	<b>1,150,000</b>	<b>1,150,000</b>
Curriculum/textbooks	350,000	350,000	350,000	350,000	350,000
Internet Safety HB213	43,000	0	0	0	0
Fund School Fee Waivers	110,000	110,000	110,000	110,000	110,000
<b>Total Local Levy for Miscellaneous Needs</b>	<b>503,000</b>	<b>460,000</b>	<b>460,000</b>	<b>460,000</b>	<b>460,000</b>
<b>Capital Levy</b>					
Capital Planning	900,000	900,000	900,000	900,000	900,000
Transportation 16-yr. Replacement Cycle	360,000	365,400	500,000	376,444	382,091
Tech/infrastructure/equipment	400,000	400,000	400,000	400,000	400,000
<b>Total Capital Levy for Capital Needs</b>	<b>1,660,000</b>	<b>1,665,400</b>	<b>1,800,000</b>	<b>1,676,444</b>	<b>1,682,091</b>
<b>Total Proposed Tax increase</b>	<b>3,463,000</b>	<b>3,450,400</b>	<b>3,585,000</b>	<b>3,286,444</b>	<b>3,292,091</b>
<b>Portion for Capital Levy</b>	<b>1,660,000</b>	<b>1,665,400</b>	<b>1,800,000</b>	<b>1,676,444</b>	<b>1,682,091</b>
<b>Portion for Board Local Levy</b>	<b>1,803,000</b>	<b>1,785,000</b>	<b>1,785,000</b>	<b>1,610,000</b>	<b>1,610,000</b>

- **State Property Tax Exemptions Available**
  - [Utah Publication 36](#)
    - Or search "Utah Property Tax Relief"
  - Provides Utah resident with five types of property tax relief
- **Local, State, Federal Revenue by Type FY14-15 to FY16-17**
  - 2015 Revenues
    - Local: \$43,153,390 - 34%
    - State: \$71,360,702 - 55%
    - Federal: \$14,668,529 - 11%
  - 2016 Revenues
    - Local: \$52,733,594 - 37%
    - State: \$77,194,499 - 53%
    - Federal: \$14,859,537 - 10%
  - 2017 Revenues - *with tax increase*
    - Local: \$56,027,114 - 37%
    - State: \$83,193,706 - 55%
    - Federal: \$12,839,052 - 8%
- Expenditures by Function FY2015-16 to FY16-17 *Percentage of total budget*
  - Instruction
    - FY16 - 52%
    - FY17 - 42%
  - Other Support
    - FY16 - 4%
    - FY17 - 3%
  - General Administration
    - FY16 - 2%
    - FY17 - 1%
  - School Administration
    - FY16 - 4%
    - FY17 - 3%
  - Business/HR/Central
    - FY16 - 4%
    - FY17 - 3%
  - Maintenance
    - FY16 - 4%
    - FY17 - 3%
  - Transportation
    - FY16 - 1%
    - FY17 - 1%
  - Food Services
    - FY16 - 1%
    - FY17 - 1%

- Non-K12/Community
  - FY16 - 2%
  - FY17 - 1%
- Capital
  - FY16 - 20%
  - FY17 - 35%
- Debt
  - FY16 - 6%
  - FY17 - 5%

Summary: The majority of district expenditures goes to instruction, as it should. A large portion goes into capital to maintain buildings. During FY17, the percentage spent on instruction drops; capital expenditures increase due to school construction. The district is not increasing what is spent on all other ancillary functions.

Ms. Bryant indicated the board also needs to approve/not approve the final 2017 budget. In a brief review of information that was covered in depth during the May 24 study session, the following slides were displayed (see attached)

- All Funds FY 2015-16 to FY 2016-17 - \$117,008,257
  - Includes \$80M, of which \$77M is bond funds
- General Fund FY 2015-16 to FY 2016-17 - \$27,132,609
- Capital Projects Fund FY 2015-16 to FY 2016-17 - \$80,441,266
  - includes approximately \$77M in bond money for Edgemont, Provost and Provo High School construction.
  - Upon construction completion, the fund balance will be back down to about \$3M.
- Capital NON-BOND FY 2015-16 to FY 2016-17 - 2,556,302
  - Without bond money
- Debt Service Fund FY 2015-16 to FY 2016-17 - \$1,801,789
  - Used to pay down bonds
- Student Activities Fund FY 2015-16 to FY 2016-17 - \$1,448,802
  - Brought in through school fees on the secondary level
  - Used for school activities
- Food Services Fund FY 2015-16 to FY 2016-17 -\$1,311,551
  - Self-supporting fund in conjunction with some federal and USDA funding
- Building Reserve Fund FY 2015-16 to FY 2016-17 - \$4,872,240
  - Saving for future school construction
  - In a big downturn year like the district has experienced for the past few years, there's a recession. We don't get state funding, federal funding is reduced and local tax revenue drops. In addition the WPU (Weighted Pupil Unit) was not increased by the state. During those years the district must have some reserves to pay salaries (83% of budget).
  - If any type of structural emergency occurred at one of the schools, we would need to have capital reserves to address the problems.
  - When the district goes out to bond, we're rated by the bond rating agency, Moodys. One of the main things they look at for our district because our demographics are so unique, is our fund balances to determine whether we're being financially prudent. Do we have money to cover that debt should there be a really bad economic year? In the last two years we've gone through the bond rating process because of the bonds that were sold, and the stability of our fund balances was a major point of interest in determining our rating.
- Redevelopment Fund FY 2015-16 to FY 2016-17 - \$1,250,000
- Total Fund Balances by Category FY 2015-16
  - General Fund - \$27,132,609
  - Capital Projects Fund- \$80,441,266 (includes \$77M in bond funds)
  - Debt Service Fund - \$1,801,789
  - Other Funds - \$7,632,593
  - Total All Funds - \$117,008,257
- Capital Improvement List
  - Provided by Facilities Director Mark Wheeler each year and is approved as part of the budget.
  - 2016-2017 Major Maintenance and Repair List - \$8,507,458.00
  - Bond-Related Capital Projects Expenses - \$72,652,453.00

## **Procedural: B. Public Input**

### ***Terry Kemp 2389 Iroquois Dr., Provo - Truth in Taxation***

- Taxes increased \$400 last year and will increase \$400 this year. \$600 of that \$800 is attributed to Provo School District. His property assessment was also increased. The focus of his comments was on the \$55.5M in bonds for PHS. He's against moving the school but was relieved to hear BYU had purchased the site for \$25.1 million. Based on the statute that deals with the voter information pamphlet, he feels it would be improper to spend more than \$55.5 on the construction of the new PHS. The PHS sale proceeds should be given back to taxpayers to pay down the bond debt rather than spent on other school/general expenses. He consulted with an attorney and the Utah Taxpayer Assoc., and their view is that taxpayers own the current high school property. If the board is selling a piece of property owned by the public, the proceeds should be put to taxpayer use to pay down the \$108M bond. If additional funding is needed, the board should go back to the voters and ask for more funds.
  - President Julie Rash indicated there would be additional board discussion prior to the upcoming vote on the tax increase.
  - Prior to the vote, Business Administrator Stefanie Bryant will clarify what can/cannot be done with the Provo High sale proceeds.

**Sharon Memmott, 2988 N. 320 E. Provo - Truth in Taxation**

- The way the public hearing was posted made it unclear about whether there was new construction. She asked if her property tax rate would decrease since the board would be collecting on more homes. A 14% hike feels like a huge increase all at once for her neighborhood; will the board have to vote on it again each fiscal year?
  - Vice President McKay Jensen responded by stating when we see new construction such as businesses on Center St., local rates to homeowners decrease; new business property tax is collected and the public is held harmless. Provo School District loses high quality young teachers every year for one reason or another, but one big reason is the fact that they can make more in either of our neighboring districts. We have to find a way to attract and retain our great teachers by compensating them competitively with Alpine and Nebo districts. He's open to suggestions on other ways to meet rising salary expenses within existing structures the district has.

**Doug Finch 734 N. Riverwalk Dr., American Fork - Truth in Taxation**

- Mr. Finch is the principal of Edgemont Elementary School in Provo. He expressed appreciation for being able to participate in the public hearing, to see first hand the representation that board members. He's grateful for the sensitivity board members have for those in their neighborhoods and for what it takes to run a public school. The painstaking efforts of board members to consider when and where to raise taxes, to propose bonds, represents not necessarily an internal person within the school district saying, "I want to do it for the sake of the organization, but I'm really thinking about what my neighborhood and community need." Edgemont Elementary is currently in the beginning phase of a rebuild, which is a great addition to not only the educational climate, but to the entire Edgemont community. As a former Nebo and Alpine district employee, Mr. Finch stated working in Provo "has been a delight in many ways, to see how things are run and operated. The level of representation in a smaller district has been very significant to see." The courage the school district had to bond is a big deal. The current climate is such that school district bonds around the state are not necessarily passing all the time. To go through the effort and draw on the good faith of the neighborhoods to approach what has been a volatile market lately has been a very significant thing. Mr. Finch stated his appreciation as both a district employee and a member of the Edgemont community for the district's and the board's willingness to invest in the future. He's also appreciative of the comments made related to the sensitivity of what the economic and community demands have been, the changing demographics and coming out of a recession. The Edgemont community fund-raises extensively. It wouldn't be possible to run some of the basic programs without the fund-raising efforts of the school community. While it's great that it's in place, it does place a burden on a small group as opposed to spreading this opportunity to fund those increased expenses. Mr. Finch thanked the board for having the integrity to do the right thing.

**Gary Wall, 422 W. 1950 N. Orem - Truth in Taxation**

- Appreciates the truth and honesty in how the board would spend the proposed revenue. The fact that the board has taken action to prioritize district needs and to make those needs public is not normal in this business. The business of raising taxes is a revenue issue and almost never an expenditure issue. The board has taken the time to look at the needs, look at the revenue based on those needs, and then rank-ordered them. The top priority, as emphasized by multiple board members, is teacher salaries. We know there's a tremendous growth rate in both Alpine and Nebo districts. The increased salaries Alpine and Nebo pay come from growth funding from the state. It's one reason Provo School District can't stay competitive with our neighboring districts. We don't receive growth funding from the state and must rely almost exclusively on our increases in local revenue, which as has been demonstrated, has basically gone down. While the board wants to be able to pay our teachers a competitive salary, it's very difficult because of the revenue situation we're compared to with regards to our neighboring districts. It makes both recruiting and retaining high quality teachers very difficult.

**Drew Brown, 309 N. 600 W. Provo - Truth in Taxation**

- As a consultant to various state education organizations throughout the country (excluding Utah), Mr. Brown stated he is shocked at how underfunded education is in Utah on the state level. It sends a bad message at how teachers are valued and negatively impacts the incentive for good people to work in the teaching industry. His wife could make more working in a restaurant than she could by teaching in some districts in the state. He doesn't see any problem with the need to stay competitive in the area of teacher compensation, and he expressed appreciation for how the board has handled the process of determining what to do with the tax revenue.

**Sylvia McNew, 1050 Fir Ave, Provo - Truth in Taxation**

- Ms. McNew is going to be homeschooling her children this year. She asked whether tax increases impact those who home school.
  - President Julie Rash indicated the tax increases also apply to homeschoolers, but that there are opt-out options as outlined by Business Administrator Stefanie Bryant.
    - Ms. Bryant stated the majority of revenue that goes to homeschoolers is state revenue in the WPU (Weighted Pupil Unit). Legislation restricts the districts ability to publicly discuss the amount of money our district gives to other entities, but homeschoolers do see the raise in their state funding.
  - Member McKay Jensen suggested Ms. McNew call Student Services regarding online curriculum.

**Jennifer Partridge, 1301 Cinnamon Ridge Circle, Provo - Truth in Taxation**

- Ms. Partridge stated her support of the property tax increase. She indicated she had met recently, along with a number of current educators in Provo, with Utah Rep. Norm Thurston about education and what could be done on the state level. Teacher compensation came up multiple times during the discussion. Some teachers had not received a salary increase in quite a while. Teachers not only get a small salary, but they often also have to pay for classroom supplies out of their own pockets. The monthly rate increase on the average home is less than \$4. It's worth putting the monthly amount together in order to support our teachers.



*Because some patrons arrived late due to the wrong start time being published in the newspaper, Ms. Bryant briefly reviewed components of her presentation. Additional public input time was granted those who wished to address the board.*

**Douglas K. Nielsen, 625 Stadium Ave, Provo - Truth in Taxation**

- Mr. Nielsen asked the board why they didn't ask for more if they have the ability to levy taxes. He indicated he noticed "that most of it is going to capital improvement."
  - Ms. Bryant clarified that while the capital improvement budget is a large portion of the district's entire budget. 38% of the tax increase is going to teacher salaries and support needs at the schools; approximately 27% will go to capital needs.
- Will the district build up the capital budget in order to save for future school rebuilds?
  - By statute, the district can not have too much money in the bank as a result of local tax increases. The amount the district is limited to having in fund balances never reaches the amount needed to build a school. As a result, whenever a school is built/rebuilt, the board would ask the public to pass a construction bond. Sen. Howard Stephenson of the Utah Taxpayers Association feels a bond is the most fair way for districts to receive construction funding because they have to make a case to the public about the need for a new school.
- Taxes never seem to go down. It doesn't matter that other districts have higher/lower taxes; he's upset when told he has to pay more taxes. When is enough enough?
- Is it right and fair that one person should be compelled to serve another person?
- If that person doesn't submit, is it right and fair that we should bring force against him so that he does submit?
  - Ms. Bryant explained that tax statements include a lot more taxes than just the district's. Sometimes tax rates go up because Central Utah Water Conservancy have raised their tax rate; Provo City or Utah County might raise it. There's so much that goes into property tax that homeowners probably do see some type of increase from one entity or another each year. It's difficult for entities to continue to support communities and do everything they need to do. Inflation also impact property taxes. The district actually hasn't raised our rates since 2009, with the exception of the bond that the voters passed. We've watched the tax rate drop as property values change. Now it's time to try and recoup some of that revenue by putting forth some local effort.

**David Harmon - 1250 Cedar Ave. Provo - Truth in Taxation/Administrative Costs**

- During Ms. Bryant's presentation she commented that the total expenditures for the district are slightly skewed now based on capital expenses. It would also skew your administrative costs. Looking at the district's financial reports that list the organizational chart, it doesn't appear to show the number of director positions created over the past two years or the number of coordinator positions that have been converted to director positions. It's assumed all of those positions have expenditure increases. Mr. Harmon expressed some concern about the representation that administrative costs are neutral. If building expenses were evaluated, administrative costs would be up. To ensure transparency, it would be fair for the citizens of Provo to see how the administration is changing and growing your structure. Rather than assuming the administrative growth is due to federal regulation, in reality it's a result of the vision and direction the district is going. He doesn't feel the reporting on the website is transparent or that the org chart on the website reflects staff changes.

**4. Business Items**

**Action: A. Approve Edgemont Construction Contractor**

I move we approve Hughes Construction as the general contractor for the Edgemont Elementary Rebuild, with a current construction budget of \$13.3 million.

Motion by Taz Murray, second by Michelle Kaufusi.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

**Action: B. Approve Large Purchase Request**

I move we approve the purchase request for Chromebooks in the amount of \$387,362.

Motion by Shannon Poulsen, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

**Action: C. Approve Revised Policy 3401 Wellness**

I move that we approve revised policy 3401 Wellness with the agreed upon language changes that occurred during the board's study session.

Motion by Marsha Judkins, second by Jim Pettersson

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

**Action: D. Approve 180-990 Calendars**

I move the Board approve school calendars, SEP conferences, and related instructional hours for the 2016-2017 school year.

Motion by Jim Pettersson, second by Marsha Judkins

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

**Action: E. Approve Proposed Property Tax Increase**

I move we approve the proposed property tax increase.

Motion by Marsha Judkins, second by McKay Jensen

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

**Action: F. Approve 2016-17 Financial Budget**

I move we approve the proposed 2016-17 budget.

Motion by Marsha Judkins, second by Jim Pettersson.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

**5. Consent Calendar**

Action (Consent), Minutes: A. Board Minutes as Part of the Consent Calendar

Resolution: I move we approve the board minutes as part of the consent calendar.

I move we approve the consent calendar.

Motion by McKay Jensen, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

Action (Consent), Minutes: B. June 14 Study Session & Business Meeting

I move we approve the consent calendar.

Motion by McKay Jensen, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

Minutes: C. June 28 Study Session

Action (Consent), Report: D. Personnel Report as Part of the Consent Calendar

Resolution: I move we approve the personnel report as part of the consent calendar.

I move we approve the consent calendar.

Motion by McKay Jensen, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

Action (Consent), Report: E. Home School, School Choice, eSchool Report as Part of the Consent Calendar

Resolution: I move we approve the home school and school choice reports as part of the consent calendar.

I move we approve the consent calendar.

Motion by McKay Jensen, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

Action (Consent), Report: F. Financial Reports as Part of the Consent Calendar

Resolution: I move we approve the financial reports as part of the consent calendar.

I move we approve the consent calendar.

Motion by McKay Jensen, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

Action (Consent): G. Approve the Consent Calendar

Resolution: I move we approve the consent calendar.

I move we approve the consent calendar.

Motion by McKay Jensen, second by Marsha Judkins.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

**6. Superintendent's Report**

Report: A. Approved Student Travel

Report: B. UHSAA Raise the Bar Letter

## **7. Adjourn**

### **Action: A. Motion to Adjourn**

I move we adjourn the business meeting.

Motion by Shannon Poulsen, second by Taz Murray.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Marsha Judkins, Michelle Kaufusi, Shannon Poulsen, Taz Murray

The business meeting was adjourned at 7:54 p.m.